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**Bossier City Marshal
Bossier City, Louisiana
A Component Unit of the City of Bossier City, Louisiana
Annual Financial Statements
As of and For the Year Ended December 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6/11/08

Bossier City Marshal
Bossier City, Louisiana

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Bossier City Marshal
Bossier City, Louisiana

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C. BRYAN COYLE, CPA

Independent Auditors' Report

Mr. Johnny Wyatt, Marshal
City of Bossier City, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bossier City Marshal, a component unit of the City of Bossier City, Louisiana, as of and for the year ended December 31, 2007, which collectively comprise the Bossier City Marshal's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Bossier City Marshal's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bossier City Marshal, as of December 31, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 14, 2008, on our consideration of the Bossier City Marshal's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information listed as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Cook & Morehart
Certified Public Accountants
March 14, 2008



MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Bossier City Marshal, (hereafter referred to as the "Marshal") we offer the readers of the Marshal's financial statements this narrative overview and analysis of the financial activities of the Marshal as of and for the year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with the Marshal's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

FINANCIAL HIGHLIGHTS

The Marshal experienced an increase in net assets of 45.31% (\$178,907) during the fiscal year ended December 31, 2007 compared to an increase of 22.66% (\$72,964) during the prior year. As of December 31, 2007 the assets of the Marshal exceed its liabilities by \$573,798. Of this amount \$353,602 (61.62%) is reported as "unrestricted net assets" and represents the amount available to be used to meet the Marshal's ongoing obligations to the citizens of Bossier City, Louisiana.

Traffic fines revenue increased \$97,250 during the current year from \$269,720 during 2006 to \$366,970 during 2007.

Commissions and fees revenue increased \$162,356 during the current year from \$141,417 during 2006 to \$303,773 during 2007.

The Marshal actively participates in the Internet Crimes Against Children Task Force and expended \$22,434 during the year ended December 31, 2007 to deter child pornography and other related internet crimes in the Bossier City area.

During the year ended December 31, 2007, the Marshal purchased three automobiles to facilitate the operation of the Marshal's office.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Marshal's basic financial statements. The Marshal's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional required supplementary information (budgetary schedules) in addition to the basic financial statements. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Bossier City Marshal - the **Government-wide Financial Statements** and the **Fund Financial**

Statements. These financial statements also include the **Notes to the Financial Statements** that explain some of the information in the financial statements and provide additional detail.

Government-wide Financial Statements

The government-wide financial statements provide a broad view of the Marshal's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Marshal's financial position, which assists users in assessing the Marshal's economic condition at the end of the year. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenses connected with the year even if cash has not been received or paid and include all assets and liabilities of the Marshal. The Marshal's financial statements contain only governmental activities. The government-wide financial statements include two statements:

- **The *statement of net assets*** presents all of the Marshal's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the Marshal's net assets may serve as a useful indicator of whether the financial position of the Marshal is improving or deteriorating.
- **The *statement of activities*** presents information showing how the Marshal's net assets changed during the most recent year using the full accrual basis of accounting. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years. This statement also presents a comparison between the direct expenses and program revenues of the Marshal.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Marshal, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the Marshal's office, reporting the Marshal's operations in more detail than the government-wide statements. The funds of the Marshal are divided into two categories: governmental funds and fiduciary funds.

- ***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. Such information may be useful in evaluating the Marshal's near-term financing requirements. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Marshal's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Marshal.

Because the focus of the governmental funds financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for

governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, users may better understand the long-term impact of the Marshal's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each governmental funds financial statement.

The Marshal has three governmental funds: the Contingency Fund, the Probation Fund and the General Fund, each of which is considered a major fund for presentation purposes. That is, each major fund is presented in a separate column in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances.

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside of the Marshal. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Marshal's own programs. The accrual basis of accounting is used for fiduciary funds.

The Marshal has two fiduciary funds: the Sales and Seizures Fund and Garnishment Fund.

The funds financial statements can be found immediately following the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the funds financial statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information. This section includes a budgetary comparison schedule for the Contingency Fund, the Probation fund and the General Fund as presented in the governmental fund financial statements. The amounts reported on the budgetary basis differ from the basis used to present the basic financial statements in accordance with generally accepted accounting policies (GAAP). Annual budgets are prepared on the cash basis of accounting.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Assets

Net assets may serve over time as a useful indicator of the Marshal's financial position. The Marshal's assets exceeded liabilities by \$573,798 as of December 31, 2007, compared to \$394,891 at the end of the previous year. The Marshal continues to maintain a high level of liquidity with \$327,530 held in cash and cash equivalents consisting of \$222,335 in demand deposits and \$105,195 invested in short-term time deposits with local financial institutions.

At December 31, 2007, \$220,196 (38.38%) of the Marshal's net assets reflects investment in capital assets. The Marshal uses these capital assets to provide services to the citizens of Bossier City, Louisiana; consequently, these assets are not available for future spending.

	Governmental Activities	
	2007	2006
Current assets	\$ 439,863	\$ 249,397
Capital assets, net of accumulated depreciation	220,196	167,852
Total assets	660,059	417,249
Current liabilities	86,261	22,358
Invested in capital assets	220,196	167,852
Unrestricted	353,602	227,039
Total net assets	\$ 573,798	\$ 394,891

Changes in Net Assets

The Marshal's net assets increased by \$178,907 (45.31%) during the year ended December 31, 2007, compared to an increase in net assets of \$72,964 (22.66%) during the prior year. This increase is primarily due to a \$97,250 increase in traffic fines revenue and a \$162,356 increase in commissions and fees revenues which was offset by a \$160,324 (46.62%) increase in public safety expenses consisting primarily of increases in expenditures for law enforcement supplies and training.

During the year ended December 31, 2007, program revenues accounted for \$670,743 or 98.18% of total revenues compared to \$411,137 or 98.62 % of total revenues during the prior year.

	Governmental Activities	
	2007	2006
Revenues:		
Program revenues:		
Charges for services	\$ 670,743	\$ 411,137
General revenues:		
Interest	12,256	5,441
Other	145	299
Total revenues	683,144	416,877
Expenses:		
Public Safety	504,237	343,913
Increase in net assets	178,907	72,964
Net assets, beginning of year	394,891	321,927
Net assets, end of year	\$ 573,798	\$ 394,891

FINANCIAL ANALYSIS OF THE DISTRICT'S INDIVIDUAL FUNDS

As noted earlier, the Marshal uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Marshal's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Marshal's

financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Marshal's net resources available for spending at the end of the year.

As of the end of the current year, the Marshal's governmental funds reported an ending fund balance of \$353,602, an increase of \$126,563 (55.75%) compared to the prior year. The ending fund balance is unreserved and available for spending at the Marshal's discretion in the coming year.

The Contingency Fund is the chief operating fund of the Marshal. The fund's unreserved fund balance as of December 31, 2007, totaled \$163,137 compared to \$119,602 at the end of the prior year.

CONTINGENCY FUND BUDGETARY HIGHLIGHTS

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Marshal complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The Marshal's budget was amended on December 11, 2007 because the amounts actually spent for law enforcement supplies, training, office expense, and other operating expenses were more than originally budgeted.

Actual expenditures were \$207,537 more than the amount originally budgeted.

Revenues available for expenditure were \$27,231 more than the final budgeted amounts.

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Marshal's investment in capital assets for its governmental activities as of December 31, 2007, totaled \$524,377, net of accumulated depreciation of \$304,181, leaving a book value of \$220,196. This investment in capital assets consists of automobiles, office equipment, and furniture and fixtures.

In terms of historical cost, the Marshal's investment in capital assets increased \$112,525, about 27.32%, during 2007. Depreciation charges for the year totaled \$60,181.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors were considered when the budget for the fiscal year ended December 31, 2008 was prepared:

Revenues are expected to remain consistent with the prior year.

Expenses are expected to remain consistent with the prior year.

Capital expenditures are expected to remain consistent with the prior year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the Marshal and seeks to demonstrate the Marshal's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. Johnny Wyatt, Bossier City Marshal, 620 Benton Road, Bossier City, Louisiana 71111, or by calling (318) 741-8835.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Statement of Net Assets
Governmental Activities
December 31, 2007

Assets	
Cash and cash equivalents	\$ 327,530
Accounts receivable	2,651
Due from Bossier City	79,472
Due from City Court	30,210
Capital assets, net of accumulated depreciation	<u>220,196</u>
Total assets	<u>660,059</u>
Liabilities	
Accounts payable	<u>86,261</u>
Total liabilities	<u>86,261</u>
Net Assets	
Invested in capital assets	220,196
Unrestricted	<u>353,602</u>
Total net assets	<u>\$ 573,798</u>

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Statement of Activities
Governmental Activities
For the Year Ended December 31, 2007

Expenses	
Public safety	<u>\$ 504,237</u>
Program Revenues	
City Court - traffic fines	366,970
Commissions and fees	<u>303,773</u>
Total programs revenues	<u>670,743</u>
Net program revenues	<u>166,506</u>
General Revenues	
Interest income	12,256
Miscellaneous	<u>145</u>
Total general revenues	<u>12,401</u>
Change in Net Assets	178,907
Net assets - December 31, 2006	<u>394,891</u>
Net assets - December 31, 2007	<u><u>\$ 573,798</u></u>

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Balance Sheet
Governmental Funds
December 31, 2007

	Contingency Fund	Probation Fund	General Fund	Total
Assets				
Cash and cash equivalents	\$ 137,872	\$ 187,641	\$ 2,017	\$ 327,530
Accounts receivable	761		1,890	2,651
Due from Bossier City	79,472			79,472
Due from City Court	30,210			30,210
Total assets	\$ 248,315	\$ 187,641	\$ 3,907	\$ 439,863
Liabilities				
Accounts payable	\$ 85,178	\$ 764	\$ 319	\$ 86,261
Fund Equity				
Fund balances - unreserved	163,137	186,877	3,568	353,602
Total liabilities and fund balances	\$ 248,315	\$ 187,641	\$ 3,907	\$ 439,863

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds
to Net Assets of Governmental Activities on the Statement of Net Assets
December 31, 2007

Fund Balances - Total Governmental Funds	\$ 353,602
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Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds:

Add - capital assets	524,377
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Deduct - accumulated depreciation	<u>(304,181)</u>
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Net Assets of Governmental Activities	<u><u>\$ 573,798</u></u>
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The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	Contingency Fund	Probation Fund	General Fund	Total
Revenues:				
City Court - traffic fines	\$ 366,970	\$	\$	\$ 366,970
Commissions and fees	172,917	82,745	48,111	303,773
Interest income	5,706	6,153	397	12,256
Miscellaneous	145			145
Total revenues	<u>545,738</u>	<u>88,898</u>	<u>48,508</u>	<u>683,144</u>
Expenditures:				
Current - Public Safety				
Automobiles	19,428			19,428
Dues and publications	10,995			10,995
Law enforcement supplies	176,699			176,699
Office expense	52,201			52,201
Salaries and related expenses		6,720	47,384	54,104
Training	27,520			27,520
Travel, lodging, and meals	39,607			39,607
Other operating	63,228	24	250	63,502
Capital outlay	112,525			112,525
Total expenditures	<u>502,203</u>	<u>6,744</u>	<u>47,634</u>	<u>556,581</u>
Net changes in fund balances	43,535	82,154	874	126,563
Fund balances at beginning of year	<u>119,602</u>	<u>104,723</u>	<u>2,714</u>	<u>227,039</u>
Fund balances at end of year	<u>\$ 163,137</u>	<u>\$ 186,877</u>	<u>\$ 3,588</u>	<u>\$ 353,602</u>

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
 A Component Unit of the City of Bossier City, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2007

Amounts reported for governmental activities in the statement of activities
are different because:

Net Change in Fund Balances - Governmental Funds	\$	126,563
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Governmental funds report capital outlays as expenditures. However,
in the statement of activities the cost of these assets are allocated
over their estimated useful lives and reported as depreciation expense.
This is the amount by which capital outlays (\$112,525) exceeds
depreciation expense (\$60,181) in the current period.

		52,344
		<hr/>
Change in Net Assets of Governmental Activities	\$	<u>178,907</u>

The notes to the financial statements are an integral part of this statement.

City Court of Bossier City
A Component Unit of the City of Bossier City, Louisiana
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2007

	<u>Sales and Seizure Fund</u>	<u>Garnishment Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	<u>\$</u>	<u>\$ 756</u>	<u>\$ 756</u>
Total assets	<u><u>\$</u></u>	<u><u>\$ 756</u></u>	<u><u>\$ 756</u></u>
Liabilities			
Unsettled deposits	<u>\$</u>	<u>\$ 756</u>	<u>\$ 756</u>
Total liabilities	<u><u>\$</u></u>	<u><u>\$ 756</u></u>	<u><u>\$ 756</u></u>

The notes to the financial statements are an integral part of this statement.

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2007

INTRODUCTION

The Bossier City Marshal (the Marshal) is a separate organization within the City of Bossier City's (the City) organizational structure established in accordance with Louisiana Revised Statute 13:1879. The Marshal's office is funded by the City. Property and equipment purchased by the City and for which the City holds title are recorded in the City's governmental-wide financial statements. The Marshal's departmental expenses, such as payroll and related costs, maintenance, utilities, etc., are paid by the City. These financial statements account for all activities of the Marshal's office not funded by the City.

The Marshal is the executor of City Court and, therefore, is responsible for executing the orders and mandates of the City Court.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the Marshal have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

B. REPORTING ENTITY

The Marshal is an independently elected official; however, the Marshal is fiscally dependent on the City. The City maintains and operates the city courthouse in which the Marshal's office is located and provides funds for equipment and furniture of the Marshal's office. Because the Marshal is fiscally dependent on the City, the Marshal was determined to be a component unit of the City, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the City, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The Marshal uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2007
(Continued)

Funds of the Marshal are classified into two categories: governmental funds and fiduciary (agency) funds. These funds are described as follows:

Governmental Funds

Governmental funds account for all of the Marshal's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Marshal. The following are the Marshal's major governmental funds:

Contingency Fund - The Contingency Fund is the general operating fund of the Marshal. The Marshal's share of court costs assessed by City Court as authorized by Louisiana Statute R.S. 13:1899C, collections of traffic fines, and collections of court-imposed fines remitted to City Court are all accounted for in this fund. General operating expenditures are paid from this fund.

Probation Fund - The Probation Fund is used to account for the collection of probation fees as ordered by City Court. These funds are used for equipment and other operational expenditures of the Marshal's office.

General Fund - The General Fund is used to account for the collection of service fees, garnishment fees, and sales and seizure fees due to the Marshal. These funds are used primarily to supplement salaries of the Marshal's office.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Marshal in a trustee capacity or as an agent for individuals, private organizations, other government units, and /or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting. The following are the Marshal's fiduciary funds:

Sales and Seizure Fund - The Sales and Seizure Fund is used to account for the collection and disbursement of the sale and seizure of property in accordance with the orders and writs of City Court. The Marshal receives a 6% commission for the execution of the seizure and sale, and fees for related services as established by Louisiana Statute R.S. 33:1704.

Garnishment Fund - The Garnishment Fund is used to account for the collection and disbursement of garnishments of wages in accordance with the orders and writs of City Court. The Marshal receives a 6% commission for the executions of orders and writs of City Court as established by Louisiana Statute R.S. 33:1704.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2007
(Continued)

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Marshal's operations.

The amounts reflected in the Governmental Funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

Revenues

Commissions and fees for services are recorded in the year in which they are earned. Interest income on time deposits is recorded when the time deposits have matured and the income is available. Substantially all other revenues are recorded when received by the Bossier City Marshal. Based on the above criteria, commissions and fees for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Capital outlays are reported at the time purchased.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted as other financing sources (uses) and are recognized when the underlying events occur.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2007
(Continued)

Government-wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Marshal as a whole. These statements include all non-fiduciary activities of the Marshal. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

Program Revenues – Program revenues included in the Statement of Activities are derived directly from fee for services; program revenues reduce the cost of the function to be financed from the Marshal's general revenues.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less when purchased. Time deposits with original maturities in excess of 90 days are recorded as investments. Investments are stated at cost, which approximates market value.

The marshal's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Marshal may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. CAPITAL ASSETS

Capital assets are reported in the government-wide financial statements at historical cost. Additions, improvements or other capital outlays that significantly extend the useful life of an asset are capitalized. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Marshal maintains a threshold level of \$2,500 or more for capitalizing assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight-line method over the following useful lives:

Furniture and equipment	5 – 7 years
Vehicles	5 years

For fund financial statements, capital assets are recorded as expenditures in the governmental funds at the time purchased.

No depreciation is recorded in the fund financial statements.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2007
(Continued)

G. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

H. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation.

(2) BUDGET

The Marshal adopts an annual budget for the Contingency Fund, the Probation Fund, and the General Fund. Through the budget, the Marshal allocates its resources and establishes its priorities. The annual budget assures the efficient and effective uses of the Marshal's economic resources. It establishes the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the Marshal's performance.

The budget is structured such that revenues are budgeted by source and appropriations are budgeted by principal type of expenditure. Expenditures may not legally exceed appropriations at the fund level. Appropriations that are not expended lapse at year end. The Marshal may revise or amend the budget at its discretion. Management may not amend the budget.

The proposed budget for the December 31, 2007, fiscal year was made available for public inspection at the Marshal's office on December 11, 2006. The proposed budget is prepared on the cash basis of accounting which is a comprehensive basis of accounting other than Generally Accepted Accounting Principles (GAAP).

The Marshal amended the budget for the Contingency Fund, the Probation fund and the General Fund on December 11, 2007.

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2007
(Continued)

(3) CASH AND CASH EQUIVALENTS

At December 31, 2007, the Marshal had cash and cash equivalents (book balances) totaling \$328,286 as follows:

	<u>Book Balance</u>	<u>Bank Balance</u>
Governmental Funds:		
Contingency Fund	\$ 137,872	\$ 144,351
Probation Fund	187,641	188,345
General Fund	<u>2,017</u>	<u>1,691</u>
Total Governmental Funds	327,530	334,387
Fiduciary (Agency) Funds:		
Garnishment Fund – operating	<u>756</u>	<u>65,536</u>
Total – All Funds	<u>\$ 328,286</u>	<u>\$ 399,923</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent bank.

Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2007, \$129,186 of the government's bank balance of \$399,923 was exposed to custodial credit risk as uninsured deposits protected and collateralized with pledged securities held by the custodial bank's trust department in the Marshal's name.

Even though deposit amounts protected by the pledged securities are considered (Category 2) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk that the fiscal agent has failed to pay deposited funds upon demand.

(4) ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at December 31, 2007:

Service fees	\$ 1,890
Other	<u>761</u>
	<u>\$ 2,651</u>

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2007
(Continued)

The Marshal has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

(5) DUE FROM BOSSIER CITY

The Contingency Fund "Due from Bossier City" in the amount of \$79,472 at December 31, 2007, reports fines collected in December 2007 by the City of Bossier City not remitted to the Marshal until January 2008.

(6) DUE FROM CITY COURT

The Contingency Fund "Due from City Court" in the amount of \$30,210 at December 31, 2007, reports fines collected in December 2007 by the City Court not remitted to the Marshal until January 2008.

(7) CAPITAL ASSETS

Changes in capital assets and depreciation for the year ended December 31, 2007, are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets being depreciated:				
Furniture and equipment	\$ 411,852	\$ 112,525	\$ --	\$ 524,377
Less accumulated depreciation:				
Furniture and equipment	(244,000)	(60,181)	--	(304,181)
Net capital assets	<u>\$ 167,852</u>	<u>\$ 52,344</u>	<u>\$ --</u>	<u>\$ 220,196</u>

Depreciation expense for the year ended December 31, 2007 was \$60,181 and was recorded in the public safety function.

(8) CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund unsettled deposits follows:

	<u>Sales and Seizures Fund</u>	<u>Garnishment Fund</u>	<u>Total</u>
Balance at beginning of year	\$ --	\$ 38,338	\$ 38,338
Additions	10,160	504,589	514,749
Reductions	(10,160)	(542,171)	(552,331)
Balance at end of year	<u>\$ --</u>	<u>\$ 756</u>	<u>\$ 756</u>

(Continued)

Bossier City Marshal
A Component of the City of Bossier City
Notes to Financial Statements
December 31, 2007
(Continued)

(8) MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

A. Plan Description

The System is composed of two distinct cost sharing multiple employer defined benefit plans, Plan A and Plan B, with separate assets and benefit provisions. The Marshal is a member of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from Marshal funds are eligible to participate in the System. Under Plan B, employees can retire providing he (she) meets one of the following criteria: (a) any age with thirty (30) years of creditable service; (b) at age 60 with a minimum of ten (10) or more years of creditable service; (c) under age 60 with ten (10) years of creditable service eligible for disability benefits; (d) survivor's benefits require five (5) years creditable service at death of member. Retirement benefits are payable monthly for life equal to 2% of their final average salary for each year of creditable service. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

B. Funding Policy

Under Plan B, members are required by state statute to contribute 5% of their annual covered salary and the Marshal is required to contribute at an actuarially determined rate. The rate is 9.75% from January 1, 2007 through June 30, 2007 and 6.75% from July 1, 2007 through December 31, 2007 of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Marshal are established and may be amended by state statute. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Marshal's contributions to the System under Plan B for the year ended December 31, 2007, 2006 and 2005 were \$6,720, \$8,769 and \$8,186 respectively, which is equal to the required contribution.

(9) EXPENDITURES OF THE MARSHAL PAID BY THE CITY

The Marshal's administrative office is located in a building owned by the City. The costs of maintaining and operating the building, as required by statute, are paid by the City and are not included in the accompanying financial statements.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Cash Basis) - Contingency Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
City Court - traffic fines	\$ 220,000	\$ 330,000	\$ 357,275	\$ 27,275
Commissions and fees		92,945	92,945	
Interest income	1,800	5,750	5,706	(44)
Miscellaneous		145	145	
Total revenues	<u>221,800</u>	<u>428,840</u>	<u>456,071</u>	<u>27,231</u>
Expenditures:				
Current - Public Safety				
Automobiles	17,428	20,428	19,256	1,170
Dues and publications	12,500	10,500	10,976	(476)
Law enforcement supplies	39,200	198,500	189,205	9,295
Office expense	38,600	48,600	43,956	2,644
Training	8,500	25,000	27,520	(2,520)
Travel, lodging, and meals	22,800	38,500	35,073	3,427
Other operating	46,050	59,162	61,194	(2,032)
Capital outlay	41,500	118,000	46,933	71,067
Total expenditures	<u>226,576</u>	<u>516,688</u>	<u>434,113</u>	<u>82,575</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,776)</u>	<u>(87,848)</u>	<u>21,958</u>	<u>\$ 109,806</u>
Other Financing Sources (Uses)				
Transfers in	<u>50,000</u>			
Total other financing sources (uses)				
Net changes in fund balances	45,224	(87,848)	21,958	\$ 109,806
Fund balances at beginning of year	<u>115,914</u>	<u>115,914</u>	<u>115,914</u>	
Fund balances at end of year	<u>\$ 161,138</u>	<u>\$ 28,066</u>	<u>\$ 137,872</u>	<u>\$ 109,806</u>

See accompanying note to the required supplementary information.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Cash Basis) - Probation Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Commissions and fees	\$ 80,000	\$ 80,000	\$ 82,745	\$ 2,745
Interest income	2,500	4,000	4,600	600
Total revenues	<u>82,500</u>	<u>84,000</u>	<u>87,345</u>	<u>3,345</u>
Expenditures:				
Current - Public Safety				
Salaries and related expenses	12,000	12,000	7,026	4,974
Other operating	100	25	24	1
Total expenditures	<u>12,100</u>	<u>12,025</u>	<u>7,050</u>	<u>4,975</u>
Excess of revenues over expenditures	70,400	71,975	80,295	8,320
Other Financing Sources (Uses):				
Transfer to other funds	<u>(50,000)</u>			
Net Change in Fund Balance	20,400	71,975	80,295	8,320
Fund balance at beginning of year	<u>105,453</u>	<u>105,453</u>	<u>107,346</u>	<u>\$ 1,893</u>
Fund balance at end of year	<u>\$ 125,853</u>	<u>\$ 177,428</u>	<u>\$ 187,641</u>	<u>\$ 10,213</u>

See accompanying note to the required supplementary information.

Bossier City Marshal
A Component Unit of the City of Bossier City, Louisiana
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Cash Basis) - General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Commissions and fees	\$ 46,200	\$ 47,500	\$ 49,514	\$ 2,014
Interest income	250	225	229	4
Total revenues	<u>46,450</u>	<u>47,725</u>	<u>49,743</u>	<u>2,018</u>
Expenditures:				
Current - Public Safety				
Salaries and related expenses	46,000	50,000	51,532	(1,532)
Other operating	<u>200</u>	<u>240</u>	<u>250</u>	<u>(10)</u>
Total expenditures	<u>46,200</u>	<u>50,240</u>	<u>51,782</u>	<u>(1,542)</u>
Excess of revenues over expenditures	250	(2,515)	(2,039)	478
Fund balance at beginning of year	<u>3,789</u>	<u>3,789</u>	<u>3,789</u>	
Fund balance at end of year	<u>\$ 4,039</u>	<u>\$ 1,274</u>	<u>\$ 1,750</u>	<u>\$ 478</u>

See accompanying note to the required supplementary information.

Bossier City Marshal
A Component of the City of Bossier City
Note to Required Supplementary Information
December 31, 2007

The Budgetary Comparison Schedule- Budget to Actual (Cash Basis) presents comparisons of the original and final legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis (cash basis) differ significantly from those used to present financial statements in conformity with GAAP (modified accrual basis), a reconciliation of resulting basis differences in the revenues in excess of (less than) expenditures between budgetary and GAAP presentations for the year ended December 31, 2007, is presented below:

	<u>Contingency Fund</u>	<u>Probation Fund</u>	<u>General Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (budgetary basis)	\$ 21,958	\$ 80,295	\$(2,039)
Adjustments:			
Revenue accruals – net	89,667	1,553	(1,235)
Expenditure accruals – net	<u>(68,090)</u>	<u>306</u>	<u>4,148</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ 43,535</u>	<u>\$ 82,154</u>	<u>\$ 874</u>

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Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards

Bossier City Marshal
Bossier City, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bossier City Marshal as of and for the year ended December 31, 2007, which collectively comprise the Bossier City Marshal's basic financial statements, and have issued our report thereon dated March 14, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bossier City Marshal's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bossier City Marshal's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bossier City Marshal's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is a more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bossier City Marshal's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
March 14, 2008

Bossier City Marshal
Bossier City, Louisiana
Schedule For Louisiana Legislative Auditor
December 31, 2007

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior year audit for the year ended December 31, 2006.

Current Year Audit Findings

There were no current year findings or management letter comments for the year ended December 31, 2007.